

AMENDED IN SENATE APRIL 6, 2010

**SENATE BILL**

**No. 1161**

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**Introduced by Senator Lowenthal**

February 18, 2010

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An act to amend Section 17070.51 of the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1161, as amended, Lowenthal. Education: school finance.

Existing law, the Leroy F. Greene School Facilities Act of 1998, provides the funding for the new construction and modernization of school facilities. A procedure is provided for school districts to apply for funding school construction or modernization pursuant to this act.

Existing law provides that if any certified eligibility or funding application containing a material inaccuracy is found to have been falsely certified by specified entities, the Office of Public School Construction is required to notify the State Allocation Board of the inaccuracy.

Existing law requires the board to prohibit a school district from self-certifying certain project information for any subsequent applications for project funding for a period of up to 5 years following the date of the finding of a material inaccuracy, or until the district's repayment of the entire amount owed the fund.

This bill would ~~authorize the board to make the prohibition against self-certification at its discretion~~, *require the Office of Public School Construction to notify the board if certified eligibility or funding application information is found to contain a material inaccuracy* and would delete the exception from the prohibition for the district's repayment. The bill would make other technical changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 17070.51 of the Education Code is  
2 amended to read:  
3 17070.51. (a) If certified eligibility or funding application  
4 ~~information identified by the board is found to have been falsely~~  
5 ~~certified by school districts, architects or design professionals,~~  
6 ~~hereinafter referred to as a material inaccuracy, the information is~~  
7 ~~found to contain a material inaccuracy, the~~ Office of Public School  
8 Construction shall notify the board.  
9 (b) The board shall impose the following penalties if an  
10 apportionment and fund release has been made based upon  
11 information in the project application or related materials that  
12 constitutes a material inaccuracy, pursuant to subdivision (a).  
13 (1) Pursuant to a repayment schedule approved by the board  
14 of no more than five years, the school district shall repay to the  
15 board, for deposit into the 1998 State School Facilities Fund, the  
16 2002 State School Facilities Fund, or the 2004 State School  
17 Facilities Fund, as the case may be, an amount proportionate to  
18 the additional funding received as a result of the material  
19 inaccuracy including interest at the rate paid on moneys in the  
20 Pooled Money Investment Account or at the highest rate of interest  
21 for the most recent issue of state general obligation bonds as  
22 established pursuant to ~~the~~ Chapter 4 (commencing with Section  
23 16720); of Part 3 of Division 4 of Title 2 of the Government Code,  
24 whichever is greater.  
25 (2) The board may prohibit the school district from  
26 self-certifying certain project information for any subsequent  
27 applications for project funding for a period of up to five years  
28 following the date of the finding of a material inaccuracy. Although  
29 a school district that is subject to this paragraph may not  
30 self-certify, the school district shall not be prohibited from applying  
31 for state funding under this chapter. The board shall establish an  
32 alternative method for state or independent certification of  
33 compliance that shall be applicable in these cases. The process  
34 shall include, but shall not be limited to, procedures for payment

1 by the school district of any increased costs associated with the  
2 alternative certification process.

3 (c) For school districts found to have provided material  
4 inaccuracies when a funding apportionment has occurred, but no  
5 fund release has been made, the board shall direct its staff to reduce  
6 the apportionment as necessary to reflect the actual nature of the  
7 project and to disregard the inaccurate information or material,  
8 and paragraph (2) of subdivision (b) shall apply.

9 ~~(d) For those school districts found to have provided material~~  
10 ~~inaccuracies when no funding apportionment or fund release has~~  
11 ~~been made, the inaccurate information or materials shall not be~~  
12 ~~considered, and paragraph (2) of subdivision (b) shall apply. The~~  
13 ~~project may continue if the application, minus the inaccurate~~  
14 ~~materials, is still complete.~~